

## Message Text

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PAGE 01 LAGOS 10139 191448Z

64

ACTION AF-18

INFO OCT-01 ARA-16 ISO-00 NEA-10 EUR-25 EA-11 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 COME-00 INT-08

SCEM-02 SCI-06 IO-14 AID-20 EB-11 CIEP-02 TRSE-00

STR-08 OMB-01 CEA-02 DRC-01 /233 W

----- 043467

R 191127Z DEC 73

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 2170

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY CARACAS

AMEMBASSY FREETOWN

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MONROVIA

AMEMBASSY OTTAWA

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

USINT ALGIERS

OECD PARIS 3792

C O N F I D E N T I A L LAGOS 10139

E.O. 11652: GDS

TAGS: ENRG, NI

SUBJECT: NIGERIAN OIL SALE: FOURTH SITREP

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PAGE 02 LAGOS 10139 191448Z

REF: LAGOS 9979

1. SUMMARY. ACCORDING ONE REPORT, THE NIGERIANS WILL COMMIT ALL 300,000 BARRELS PER DAY OF 1974 PARTICIPATION AND ROYALTY CRUDE OIL ON DECEMBER 22 AT PRICES WHICH MOST PROBABLY WILL SET NEW WORLD RECORD. END SUMMARY.

2. LAGOS PRESS CORPS CONTINUES TO RECEIVE SPECULATIVE REPORTS FROM LONDON THAT NIGERIAN OIL WILL SELL FOR \$20 PER BARREL, BUT THE HIGHEST NEW BID SO FAR MENTIONED TO REPORTERS BY OFFICIALS OF THE NIGERIAN NATIONAL OIL CORPORATION IS JUST SHY OF \$18. COMMISSIONER OF MINES AND POWER MUNGUNO TOLD AP DECEMBER 18 THAT, DESPITE RUMORS TO CONTRARY, NO RPT NO CONTRACTS HAVE YET BEEN SIGNED.

3. DIRECTOR OF PETROLEUM RESOURCES FEYIDE TOLD REPORTERS DECEMBER 15 ON BACKGROUND BASIS THAT FMG WOULD HELP OTHER AFRICAN COUNTRIES OBTAIN CRUDE OIL--BUT WOULD NOT SELL ANY OF THE CURRENT 300,000 B/D AT CONCESSIONAL PRICES. HE MENTIONED ONLY THE POSSIBILITY OF SPECIAL LOANS TO THE AFFECTED COUNTRIES.

4. ACCORDING ONE SOURCE, NNOC IS TODAY (WEDNESDAY) SENDING CABLES TO FIFTEEN HIGH BIDDERS INVITING REVISED BIDS BY FRIDAY, DECEMBER 21. ALL 300,000 B/D WILL BE ALLOCATED ON SATURDAY, DECEMBER 22, TO THE TEN WHO MAKE THE HIGHEST REVISED BIDS. BIDS NOT EXPECTED TO BE BELOW THE PRICE RECENTLY OBTAINED FOR IRANIAN LIGHT (\$17.40) PLUS FREIGHT DIFFERENTIAL. (SOURCE DID NOT MENTION SULPHUR PREMIUM.)

5. COMMENT. IF ACCURATE, THIS REPORT IS FIRST INDICATION THAT FMG HAS AT LAST DECIDED HOW TO WIND UP THE CURRENT OIL SALE. COUNSEL OF THE BRITISH HIGH COMMISSION (LAGOS 10098) TO REFRAIN FROM EXACERBATING WORLD PETROLEUM PRICES IS APPARENTLY BEING DISREGARDED, AND THE NIGERIANS ARE GOING FOR ALL THE MARKET WILL BEAR. EMBASSY HAS NO REASON TO QUESTION SOURCE OF THIS INFORMATION (AN AMERICAN BUYER IN CONSTANT CONTACT WITH OIL OFFICIALS), BUT HIS INFORMATION IS TOO NEW TO BE INDEPENDENTLY CONFIRMED.

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PAGE 03 LAGOS 10139 191448Z

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, SALES, PRICES, PROPOSALS (BID)  
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**Copy:** SINGLE  
**Draft Date:** 19 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** hilburpw  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Reference:** LAGOS 9979  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hilburpw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <15-Oct-2001 by hilburpw>; APPROVED <16-Oct-2001 by hilburpw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**TAGS:** ENRG, NI  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005